

**L.H. STAINLESS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023
PAGES FOR FILING WITH THE REGISTRAR**

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Contents

Balance Sheet	3
Notes to the Financial Statements	4

L.H. STAINLESS LIMITED
BALANCE SHEET
AS AT 31 JANUARY 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	3	845,676	612,678
		845,676	612,678
Current assets			
Stocks	4	1,490,134	1,396,964
Debtors	5	2,254,512	1,523,183
Cash at bank and in hand		347,222	449,337
		4,091,868	3,369,484
Creditors: amounts falling due within one year	6	(3,213,731)	(2,518,639)
Net current assets		878,137	850,845
Total assets less current liabilities		1,723,813	1,463,523
Creditors: amounts falling due after more than one year	7	(67,311)	(58,074)
Provision for liabilities	8	(69,371)	(45,587)
Net assets		1,587,131	1,359,862
Capital and reserves			
Called-up share capital	9	46,900	46,900
Share premium account		395,100	395,100
Profit and loss account		1,145,131	917,862
Total shareholder's funds		1,587,131	1,359,862

For the financial year ending 31 January 2023 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The member has not required the Company to obtain an audit of its financial statements for the financial year in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Statement of Income and Retained Earnings has not been delivered.

The financial statements of L.H. Stainless Limited (registered number: SC190833) were approved and authorised for issue by the Director on 06 June 2023. They were signed on its behalf by:

Garry Fraser
Director

Stuart Fraser
Director

L.H. STAINLESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

L.H. Stainless Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The address of the Company's registered office is Towiemore, Drummur, Keith, AB55 5JA, United Kingdom.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the Company and rounded to the nearest £.

Turnover

Turnover is represented receivable from the manufacture and supply of stainless steel products and systems, net of VAT.

Revenue from contracts for the manufacture and supply of products is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Taxation

Current tax

Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

L.H. STAINLESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

Land and buildings	10 - 50 years straight line
Plant and machinery	20 % reducing balance
Vehicles	15 % reducing balance
Office equipment	25 % reducing balance

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Leases

The Company as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the Statement of Income and Retained Earnings over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Income and Retained Earnings as described below.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes direct materials and where applicable, direct labour costs that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks.

L.H. STAINLESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Retirement Benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2. Employees

	2023	2022
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	35	31

L.H. STAINLESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

3. Tangible assets

	Land and buildings	Plant and machinery	Vehicles	Office equipment	Total
	£	£	£	£	£
Cost					
At 01 February 2022	474,466	370,276	421,225	66,778	1,332,745
Additions	154,547	86,813	52,240	8,661	302,261
Disposals	0	(65,000)	0	0	(65,000)
At 31 January 2023	629,013	392,089	473,465	75,439	1,570,006
Accumulated depreciation					
At 01 February 2022	67,738	291,192	321,292	39,845	720,067
Charge for the financial year	16,162	16,618	30,884	5,009	68,673
Disposals	0	(64,410)	0	0	(64,410)
At 31 January 2023	83,900	243,400	352,176	44,854	724,330
Net book value					
At 31 January 2023	545,113	148,689	121,289	30,585	845,676
At 31 January 2022	406,728	79,084	99,933	26,933	612,678

4. Stocks

	2023	2022
	£	£
Stocks	832,291	676,992
Work in progress	657,843	719,972
	1,490,134	1,396,964

5. Debtors

	2023	2022
	£	£
Trade debtors	1,652,835	690,772
Amounts owed by Group undertakings	318,182	56,707
Corporation tax	547	0
Other debtors	282,948	775,704
	2,254,512	1,523,183

L.H. STAINLESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

6. Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans	10,000	10,000
Trade creditors	614,447	310,566
Amounts owed to Group undertakings	25,762	24,004
Corporation tax	153,503	94,329
Other taxation and social security	99,144	155,024
Obligations under finance leases and hire purchase contracts	21,987	15,455
Other creditors	2,288,888	1,909,261
	3,213,731	2,518,639

Obligations under finance lease are secured by a fixed charge over the assets to which it relates.

Bank loans are secured over the assets of the company.

7. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Bank loans	27,500	37,500
Obligations under finance leases and hire purchase contracts	39,811	20,574
	67,311	58,074

Obligations under finance lease are secured by a fixed charge over the assets to which it relates.

8. Provision for liabilities

	2023	2022
	£	£
Deferred tax	69,371	45,587

9. Called-up share capital

	2023	2022
	£	£
Allotted, called-up and fully-paid		
46,900 Ordinary shares of £ 1.00 each	46,900	46,900

L.H. STAINLESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023

10. Financial commitments

Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2023	2022
	£	£
- within one year	40,000	40,000
- between one and five years	160,000	160,000
- after five years	0	40,000
	200,000	240,000

The operating lease commitment disclosed above represents a property lease which expires in 2027.

11. Related party transactions

Transactions with entities in which the entity itself has a participating interest

	2023	2022
	£	£
Entities with control, joint control or significant influence over the company.	25,762	24,004

12. Ultimate controlling party

The ultimate parent company is GSF Group Limited, a company registered in Scotland which owns 100% of the issued ordinary share capital of L.H. Stainless Limited. The registered office of GSF Group Limited is Towiemore, Drummuir, Keith, United Kingdom, AB55 5JA.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.